GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4525
ANSWERED ON:12.08.2016
Panama Papers
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has looked into the Panama Papers and if so, the details thereof;

(b) whether the Government has also identified Indian offshore bank account holders and if so, the details thereof;

(c) whether the Government is facing resistance and non-cooperation by many foreign countries and such entities and if so, the details thereof; and

(d) the plans chalk out by the government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) Recently, information about certain offshore entities held by various Indian persons has appeared in media. Such information is attributed to be part of 'Panama Papers' leaks. The revelations made, however, do not contain information regarding financial transactions such as offshore bank account details, offshore properties/investments etc. of the Indian persons. The International Consortium of Investigative Journalists (ICIJ), a Washington based organization which has reportedly made the revelations pertaining to the Panama Papers, has put a caveat on its website (www.icij.org) by mentioning that it should not be assumed that everyone who appears in the Panama Papers is involved in tax avoidance or evasion and there are legitimate reasons to create a company in an offshore jurisdiction and many people declare them to their tax authorities when that is required.

(c) Law Enforcement Agencies concerned have taken up investigation into specific allegations. Such investigation, wherever required, includes making requests to the foreign jurisdictions concerned for sharing specific information/evidence, in accordance with provisions of treaties/agreements which India may have with such jurisdictions. The sharing of information is guided by the provisions of such treaties/ agreements as also domestic laws of respective jurisdictions. As investigation in such cases is at preliminary stage, further inference/course of action depends upon outcome of investigation in respective cases.

(d) The Government has taken necessary measures for expeditious investigation in such cases including through enhanced international cooperation. Further, the Government has constituted a Multi-Agency Group inter alia, for facilitating co-ordinated and speedy investigation in the cases of Indian persons allegedly having undisclosed foreign assets and whose names are reportedly included in Panama Papers leaks. The Group consists of the officers of Investigation Division of the Central Board of Direct Taxes (CBDT), Foreign Tax & Tax Research Division of CBDT, Enforcement Directorate (ED), Financial Intelligence Unit (FIU) and Reserve Bank of India, and its Convener is Member (Investigation), CBDT. It has been asked to report the progress in such cases on regular basis.